

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-64-WS

Application of CUC, Inc. for Approval of an Increase in Rates and Charges and Modifications to Certain Terms and Conditions for the Provisions of Water and Sewer Service Provided to its Customers at Callawassie Island and Spring Island in Beaufort County, South Carolina

DIRECT TESTIMONY
OF BILLY F. BURNETT

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Billy F. Burnett, and my business address is 2109 Timberlane Drive,
3 Florence, South Carolina 29506.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am the Vice-President, General Manager, and a shareholder of CUC, Inc. ("CUC").

6 **Q. PLEASE DESCRIBE YOUR TRAINING AND WORK EXPERIENCE.**

7 A. I have worked in the water and sewer utility industry for 66 years. I began my
8 employment as a Well Driller's helper in 1953 by Layne Atlantic Company in Orlando, Florida.
9 Layne was the largest water supply and treatment company on the East Coast. In 1956, I was
10 transferred to Layne's Florence, South Carolina, office to work as a Well Driller. I remained
11 employed by Layne until 1970. During my 17 years with Layne, I progressed from Well Driller
12 to Superintendent, to General Superintendent, to Regional Manager, and then to Vice President
13 of the company. While at Layne, I became responsible for contracting and building various water
14 and wastewater treatment facilities for municipal-owned utilities in North and South Carolina.
15 Also, I was responsible for building and operating several water utilities in the Florence area

1 owned by Layne. From 1970 until 1984, I was a Partner and General Manager of BWB, Inc., a
2 utility construction company performing water and wastewater utility construction with
3 unlimited licenses in North and South Carolina. Also, during that period, I was the majority
4 partner in a North Carolina regulated water and sewer utility that grew to approximately 5,000
5 customers before being sold to a county-owned utility in 2004. In 1984, I started CUC to provide
6 water and sewer service for Callawassie Island and Spring Island, two contiguous islands in
7 Beaufort County, South Carolina. CUC has continuously provided that service for thirty-five
8 years. I have attended many American Water Works Association Conferences over the years and
9 have completed many computer and software classes that pertain to the water and wastewater
10 business. I wrote the code and developed the present customer billing system. I hold South
11 Carolina Operator Certifications for Grade A Wastewater Treatment and Grade D Water
12 Treatment.

13 **Q. WHAT ARE YOUR RESPONSIBILITIES AT CUC?**

14 My responsibilities include the following:

- 15 • Day to day management and oversight of the Company's water
16 distribution and wastewater collection and treatment systems.
- 17 • Supervision of environmental and regulatory agency compliance.
- 18 • Customer and vendor relations.
- 19 • Maintaining the company customer billing software system including
20 writing the code for any new required reports.
- 21 • Oversee the administrative staff in its work, including customer billing
22 and bookkeeping.
- 23 • Oversee the operations staff to ensure safe and efficient work practices.
- 24

- 1 • Make decisions regarding acquisitions, and company policies,
- 2 procedures, and staff.
- 3 • Regular analysis of company financial statements.

4 **Q. PLEASE PROVIDE AN OVERVIEW OF CUC'S WATER SYSTEM AND**
5 **CUSTOMERS.**

6 CUC has 814 water distribution customers, 453 residential irrigation customers, 33
7 commercial water distribution customers, and 8 commercial irrigation customers. The
8 wholesale water supply is provided by the Beaufort- Jasper Water and Sewer Authority
9 through a master meter at the entrance of Callawassie Island. The Callawassie water
10 distribution system includes 67,660 L.F. (12.8 miles) of water mains with 64 fire hydrants.
11 The Spring Island water distribution system includes 128,658 L.F. (24.4 miles) of water
12 mains with 103 fire hydrants. The total length of water pipes that must be maintained by
13 CUC operators is 196,378 L.F. (37.2 miles).

14 **Q. DOES CUC PROVIDE FIRE PROTECTION TO ITS CUSTOMERS?**

15 Yes. The CUC systems differ from most PSC regulated water utilities in that its
16 water systems are built to high municipal standards and not the typical water system that
17 utilizes small pressure tanks and small diameter pipe lines. The CUC water systems were
18 designed so that every home is within 500 feet or less of a fire hydrant. The Bluffton District
19 Fire Department was consulted relative to design and minimum flow requirements for every
20 fire hydrant and the water systems were designed and sized accordingly. Sixty-three percent
21 of the pipe lines are 8" through 12" and thirty-two percent are 6" diameter. The Fire
22 Department has a fire station at the entrance of Callawassie Island that serves CUC's
23 customers. The average CUC water customer saves approximately \$300 per year on their

1 homeowner fire insurance policies because CUC water systems are designed and built for
2 available fire protection water.

3 **Q. PLEASE PROVIDE AN OVERVIEW OF CUC'S WASTEWATER SYSTEM AND**
4 **CUSTOMERS.**

5 A. CUC has 696 residential wastewater accounts and 25 commercial accounts. The
6 company has two advanced wastewater treatment plants, 260,000 GPD on Callawassie
7 Island and 100,000 GPD on Spring Island. Each plant includes an office/laboratory building
8 where certain water analyses are performed daily. Each plant site includes an automatic
9 standby generator capable of providing electric power for the entire plant and the main
10 pumping stations that allows the plants to function properly if a power outage by the local
11 electricity provider occurs.

12 The Callawassie plant also has an office where customer billing and certain record-
13 keeping is managed. This building also serves as a convenient place for customers to pay
14 bills and get information about their service.



15
16 Exhibit BFB-1 – Spring Island Lab Bldg.; Exhibit BFB-2 – Callawassie Office Bldg.

Each plant utilizes tertiary filters to provide high-quality effluent. The Callawassie plant uses chlorination for final disinfection while the Spring Island plant uses the latest in ultraviolet technology for final disinfection. The final effluents from both plants are recycled as irrigation water on the two islands' golf courses. Sixteen observation are wells located on the golf courses from which groundwater is analyzed every calendar quarter to ensure there is no contamination to groundwater caused by the wastewater effluent. The discharge permits for these two plants are among the most stringent for water quality issued by DHEC.

The Callawassie sewage collection system includes 53,310 L.F. (10.1 miles) of gravity sewers with 220 manholes and 16 pumping stations with 19,242 L.F. (3.6 miles) of force mains. The Spring Island sewage collection system includes 89,419 L.F. (16.9 miles) of force mains and 2 pumping stations. Each home on Spring Island has an individual sewage grinder station which CUC must also maintain. The total length of sewer pipes that must be maintained and flushed out regularly by CUC personnel is 161,971 L.F. (30.7 miles).

Q. HOW MANY EMPLOYEES DOES CUC HAVE?

A. CUC has 9 employees. My daughter, Suzy Mikell, and I work from the corporate office in Florence with my granddaughters Chelsea Mikell and Jessica Jordan. We have 5 employees in our Beaufort County office.

Q. WHAT ARE THE DUTIES OF EACH EMPLOYEE?

A. CUC's employees and their respective duties are listed below:

- **Susan B. Mikell** – President – Accounting; bookkeeping; human resources (please see Ms. Mikell's prefiled direct testimony for more detail).
- **Billy F. Burnett** – Vice-President - Management; maintenance and operations; software development and maintenance.

- 1 • **Marshall G. Bishop** – Operations Manager - Oversight of both plants; management of
2 local office; meter reading; bill preparation; taps; grinder stations; repairs; customer
3 relations; regulatory reporting.
- 4 • **Richard J. Bozard** – Callawassie Island WWTP Manager - Plant maintenance; meter
5 reading; bill preparation; taps; grinder stations; repairs; testing.
- 6 • **Todd D. Cooper** – Spring Island WWTP Manager - Plant maintenance; meter reading;
7 bill preparation; taps; grinder stations; repairs; testing.
- 8 • **Derrick T. Brannan** – Utility Worker - Plant maintenance; meter reading; bill
9 preparation; taps; grinder stations; repairs.
- 10 • **Mary C. Floyd** – Office Manager at Callawassie Island - Bill preparation; work orders,
11 taps, grinders, and repairs billing; customer payment processing; customer relations.
- 12 • **Chelsea M. Mikell** – Office Assistant - Clerical office duties.
- 13 • **Jessica M. Jordan** – Office Assistant - Clerical office duties.

14
15 **Q. PLEASE DESCRIBE ANY IMPROVEMENTS AND MAINTENANCE MADE TO**
16 **CUC’S SYSTEM SINCE THE LAST RATE CASE.**

17 **A.** A new wastewater distribution piping assembly has been installed on the Callawassie
18 wastewater treatment plant to replace a failing system and improve loading of the plant’s
19 oxidation cells which improves the quality on the plants final effluent. New stainless steel
20 control panels and certain sewage pumps were replaced on the wastewater collection system.
21 Also, new major fiberglass float assemblies were installed on the Spring Island wastewater
22 plant’s main operating assembly to replace failing float assemblies.

1 **Q. HAS CUC RECEIVED ANY NOTICES OF VIOLATION FROM DHEC SINCE**
2 **THE LAST RATE CASE?**

3 **A. No.**

4 **Q. HAS CUC BEEN FINED FOR ANY VIOLATION BY DHEC SINCE THE**
5 **COMPANY BEGAN OPERATIONS 35 YEARS AGO?**

6 **A. No.**

7 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

8 **A. Yes, it does.**